Agricultural financing by ICICI

2120. SHRI GHULAM NABI AZAD: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the ICICI Bank has decided to target agricultural financing;

(b) if so, whether they have identified it as one of the new growth areas in future;

(c) whether the main aim of the bank is to reach out to the farmers and provide finance to them directly;

(d) if so, what are the main steps the ICICI has taken in this regard;

(e) whether any schemes have been prepared for the agricultural financing; and

(f) if so, by when they are likely to be implemented?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE): (a) and (b) ICICI Bank has reported that it feels that agriculture is an important sector with immense potential for growth in the near future. Accordingly, it has commenced focusing on the opportunities in agricultural lending by constituting a dedicated Agri business group, which has the capability to structure specific products for rural finance.

(c) to (f) ICICI Bank has further reported that it is using a sector specific approach with key focus on the dairy, crop production, poultry, agricultural infrastructure, plantations, horticulture, food processing etc. and has facilitated crop specific assistance to the farmers through a structure financing concept called the Farmer Service Centres (FSCs). The crop assistance provided through FSCs is as follows:

- Providing quality inputs like fertilizers, pesticides, seeds and credit
- Soil testing facility through tie-ups with soil testing laboratories
- Extension services to the farmers regarding planting, crop production practices and post harvest handling
- Crop monitoring through extension agents and timely advice towards the use of inputs.

- Integrated pest control techniques
- Information regarding the market and mandi prices
- Procurement of crop through FSC and tie-up with marketers for sale of produce.

To extend credit to the farmers, ICICI Bank has associated with extension service providers, input companies marketing companies, NGOs and Sugar companies. ICICI Bank has already taken up pilot funding programmes for financing the farmers through these intermediate channels. The pilot programmes have been conducted in different geographic locations across the country and in crops like paddy, wheat, groundnut, fruits and vegetables, cotton etc. The success of the pilot programmes demonstrated last year has given an impetus to ICICI Bank's direct agriculture lending programmes and they are being scaled up with the corporate partners across the country.

Financial aid to Tamil Nadu

2121. SHRI YADLAPATI VENKAT RAO: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government of Tamil Nadu has sought Rs. 3000 crore package to meet the present financial crisis in the State;

(b) whether request has also been made to rescind the limit of borrowing capacities of the State Government for implementation of development programme; and

(c) if so, what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE): (a) and (b) Yes, Sir.

(c) It would not be possible to open a new window for non-plan assistance to States other than what was recommended by the Finance Commission nor does the current economic slowdown affecting States and the Union in equal measure make it feasible for the Centre to allot any additionality as grants. Regarding restrictions on borrowings for development programmes, there is need to limit further growth of debt